

In the short term, the administration's plan to establish private accounts will actually increase our budget deficit and cost the Federal Government approximately \$2 trillion dollars over the next 10 years. He has not indicated how he would pay for that, and so that number just gets added onto the Federal debt, not even accounting for whatever privatization will cost us in the following years. Estimates indicate that this increased borrowing, primarily from foreign nations—Japan, China and others—could potentially double our publicly-held debt by 2041, further increasing our dependence on foreign creditors.

Yes, any long-term savings the administration plan might create will be at the expense of providing seniors and all Americans a guaranteed benefit.

I do believe that we should at least start a discussion about the long-term solvency of Social Security and we should explore all options for addressing this issue. I support encouraging Americans to establish private accounts only that are above and beyond what we do in Social Security right now. All of our citizens deserve a shot at a comfortable life in their old age.

To get there we need to create a sturdy stool—a retirement security stool that provides a solid leg through a secure, guaranteed Social Security benefit; another leg helps protect the health and long-term health care needs of all people; and a third encourages individuals to save money for their retirement years, through private accounts, pensions and other programs. These are the things we should be thinking about as we look to the future.

So what we have is a Social Security program right now that is solid, according to the nonpartisan Congressional Budget Office, through the year 2052, through the middle of this century. Even at the end of 2052, those payments for young people today would actually be higher, adjusted for inflation, than the monthly payments that today's recipients get. So is this a crisis? No. There is a problem, but there is not a crisis in the long term for Social Security.

What concerns me is that I think some of the proposals I am hearing about have more to do with ideology, more to do with trying to move the Government away from providing that safety net than it does to actually solving what problems that may exist.

I believe our seniors in South Dakota and across this country deserve to have a Social Security program with a defined benefit, that they will know to the dime what it is they are going to get when they retire, and that it is not contingent on whether the market had a good year or bad year in their runup time prior to their retirement. That defined benefit ought to be the cornerstone, ought to be the foundation, of every retirement. Whatever else happens, they should know that will be there, and that it does not involve a gamble in the stock market.

I believe people ought to be saving more; that they ought to be provided better mechanisms to set aside money which they can count on that will be over and above Social Security, that will augment Social Security. I think we need to have a good discussion about IRAs and 401(k)s and other kinds of pension mechanisms that will allow for private savings to augment Social Security.

But at the end of the day, the best thing this Government can do for the long-term solvency of Social Security is to get our annual budget into equilibrium so we can get back to where we were only 4 years ago—with budget surpluses rather than utilizing Social Security surplus dollars for the ordinary expenses of Government; and, that we put ourselves in a still stronger position midway through this century to make sure every American gets the benefits to which they are entitled and which they expect to have.

I look forward to working with President Bush and with my colleagues on both sides of the aisle on ways in which we can assist with the near-term crisis in Medicare, Medicaid, health care, the near-term crisis in terms of the budget deficit which our Nation faces, and the longer term problem that we have with Social Security, but in so doing I will not abandon the underlying philosophy of every American having a defined benefit program that will be the foundation of their retirement plan and on which they can, in fact, count.

I look forward to a constructive and positive debate. Doing nothing is not the solution. But concocting false crises with remedies which actually make a situation worse than it is now cannot possibly be the road that this Congress, this Senate wants to go down.

I yield the floor.

The PRESIDING OFFICER (Mr. THUNE). The Senator from Wyoming.

Mr. THOMAS. Thank you, Mr. President.

CHALLENGES BEFORE CONGRESS

Mr. THOMAS. Mr. President, it is again time, as we begin this session of Congress, when challenges are before us—the opportunity to work on programs, some of which we worked on before and did not complete, some of which need to be worked on and haven't; such things as energy policy, of course, which we have worked on for some time. We are becoming more and more dependent as time goes by and as our consumption increases and our production does not.

The highway bill we talked about for a good long time. It is most important for our economy, for our jobs, for our transportation, and we haven't been able to handle it in the last couple of years; to move into something such as the class action activity that we are committed to so that we are not moving the liability claims around to different States to find a jurisdiction that is most favorable; and to do something

about tax simplification. We always talk about that. The Tax Code is that thick, and yet we continue to have it.

We have a real opportunity to do a number of things, and I hope we are able to do that. I hope we are able to have an honest debate and discussion. We did have different points of view, obviously, but I hope we move towards finding solutions to coming together better than perhaps we have in the past.

In addition—I guess this is really what I would like to comment about briefly today—I think we also have an opportunity and a responsibility to take a look at some of the existing programs, many of which have been in place far too long a time; indeed, maybe they should be. On the other hand, I think from time to time we need to have some kind of a system where we go back and take a look at older programs and see, as time changes, if those programs are still efficient, necessary, and as opportune as they were in the beginning.

We have new programs all the time, and we tend not to take a look at some of the ones that are in place to see indeed if they are still needed, to see if they do the job as well as they have been, and to see if they are as efficient as they can be.

I have in my desk a notebook that is nearly that thick with all the programs the Federal Government has in place. There are actually thousands of programs that are in place. Some are major and some are not, but nevertheless they are there. We are talking about balancing the budget and so on. Some of that ought to reflect the expenditures which have been going on for a long time, and still continue to go on.

Of course, when you have a program out there, the nature of it is that people get involved and it develops its own constituency which makes it difficult to change from time to time. I hope we can do some reevaluations of the ones that we have. We have some programs that obviously need to be changed.

The Senator from South Dakota was talking about Social Security. Obviously, it needs to be changed. He argues about whether it is a crisis, but the fact is, for one thing all the money that is in the so-called trust fund is not in the trust fund at all. There are IOUs in there that have to be repaid. In order to go beyond the 20-, 13-, or 18-year program that we talk about in order get to the 45-year program, that money has to be in place.

There are some ideas about doing that. Of course, a number of things could be done. Payments could be attached to the benefits' costs rather than to inflation, and a number of things. They will all be considered, of course.

There seems to be a lot of reaction to the so-called personal accounts. I think one thing that has to be considered by everyone who is interested, No. 1, people who are 55 or so are not affected at

all and will continue to go on as they have. Furthermore, those who aren't—the younger people—it is a choice they will make. Those are some of the things that need to be looked at to go forward.

I am personally very much in favor of encouraging people to have savings benefits of their own. After all, Social Security was designed to be a retirement supplement. In order to make it work really well, we have to have a program that is cost effective.

Medicare and Medicaid are in real financial difficulty—not only some of the Government programs themselves as they go forward but, because the impact of the cost of health care is not always fully paid by Medicaid and Medicare, the costs are shifted to people who have private insurance. That the entire cost is going up, the entire program—a great health care program in this country—becomes limited in access because of the costs. We have to do something about that.

As I mentioned, we have literally thousands of programs that are in place. I am not suggesting they are not useful. I am suggesting, however, that there needs to be some kind of a process. It is my understanding that OMB is talking about something that has some kind of a commission which would review the programs from time to time. I think that is a great idea. I don't know whether those programs are the ones we ought to have, and whether the Congress ought to appoint a commission, but there ought to be a way of evaluating. No. 1, how appropriate it is to continue those programs the same as we did 10 or 20 years ago, and whether those programs are being as effectively operated as they could be.

Sometimes when we talk about efficiency, we get a lot of feedback from people. But why shouldn't there be more efficient Government programs? We ought to ensure that, indeed, they are.

I think that is something we ought to take a look at to see if we can't have some kind of evaluation. I know it could be very time consuming. On the other hand, I think we could find ways to take a look periodically at the programs.

I wish we had some kind of a criteria for what kinds of programs are appropriate for the Federal Government. Particularly with programs that have some political clout for a Member, we find ourselves bringing it up and going with it. Some things you would really have a hard time saying they are an appropriate function of the Federal Government. There are so many things that could be done much better by State and local governments or by the private sector, but if it has some political appeal, we want to hop in there and do that.

I don't know exactly what it would be, but it would seem to me it would make sense if we had some criteria to say these are the kinds of conditions

that would justify Federal involvement, not only because of the cost but most of us would like to see some control.

We talk about deficits, but we never seem to talk about holding down the activities and the size of the Federal Government. I know these are easy things to talk about but difficult things to resolve.

I guess the President is suggesting that as we go about our work we hopefully will keep in mind a couple of thoughts. One is periodic evaluation of programs to make sure they are, in fact, efficient, effective, and still necessary. The other is that we take a look at some of the various prospects which are brought up.

For example, I chair a subcommittee which deals with national historic sites. We have a long list of national historic sites. Some of them, quite frankly, you would have a hard time justifying in terms of any national significance. There are very likely to be some things which are good for the main street of someone's hometown. Of course, we all want to do that. But there needs to be some criteria so it fits into this program.

These are some of the things I hope we can take a look at and make the Federal involvement a little less widespread and make sure what we are doing is done efficiently.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. JOHNSON. Mr. President, I look forward to working with my good friend and colleague from my neighboring State of Wyoming.

There are common grounds on issues that he has raised. I certainly agree that we need to always be on the alert for ways to find efficiencies in our Federal budget. However, I think we also need to keep in mind the reality that the domestic discretionary share of the Federal budget is now about 16 percent of that budget.

As we look at ways to get our Federal budget back into equilibrium, one of the best solutions I believe would be to return to the budget rules which existed throughout the 1990s—the so-called budget rules which require a Congress any time it attempts to raise the spending above a certain baseline or cut taxes simultaneously to explain how it is going to be paid for so that the end result is budget neutrality, allowing the Government to grow its way out of budget deficits. That is the reason we had three consecutive years of budget surpluses in the 1990s. I believe we need to return to that kind of budget discipline. Regrettably, the administration opposes that discipline. But I believe, given the massive size of today's budget deficit, we need to create that structure once again.

It concerns me when people allude to the Social Security trust fund as though it were some fictitious entity. The Federal Government borrows the money currently out of surplus dollars

that come in through Social Security taxes—FICA taxes—and then issues to the trust fund a Treasury bond. It is no different than all the other borrowing the Federal Government does. The Federal Government has never in our entire Nation's history reneged on its bonded indebtedness. We would never dream of doing that and destroying our creditworthiness internationally. It would be, I believe, an immoral act to do so.

The only reason there could be a long-term crisis in Social Security is if this administration and future administrations determine not to pay back its bonded indebtedness to the Social Security trust fund. It would be an unprecedented step. We need to make sure that is a step that is not taken. One of the best ways of doing that is to get our overall Federal budget back into equilibrium.

ELECTION IN IRAQ

Mr. JOHNSON. Another issue about which I will share some thoughts with my colleagues today is my hope—and I think it is shared by our entire Nation—that this election in Iraq is the beginning of a new era, beginning of a greater era of stability and opportunity for the United States to diminish its presence in that very troubled place.

My own oldest son served in combat in Iraq, and I appreciate profoundly the sacrifices and the risks and the courage of so many who have served our Nation there and in other dangerous places around the world.

We have this hope while at the same time recognizing that one election does not a democracy make; that the potential for ongoing violence, for chaos in many parts of that difficult country remain, and the election will be viewed more credibly by some than by others. I am pleased the turnout seems to be significant, seems to be supportive, certainly, in the Kurdish and Shiite regions; less so in the Sunni areas where most of the violence has centered. Nonetheless, it is our hope this is a beginning, a start, at least, to the point where we can begin to take troops at some near rather than later time back home to the United States.

We have paid a dear price. We are expending in the range of \$2 billion per week in Iraq, in a country that was a regional threat, was not involved in international terror, but which was a regional threat to its neighbors at one time. It certainly is our hope the efforts that are ongoing there will lead to the "Iraqification," if you will, of that country and the development of some self-governance in Iraq. The expenditure has been immense. We have not seen President Bush's budget for the next fiscal year yet. I am told to anticipate we will be spending \$1 billion per minute on defense. This is a remarkable undertaking, an obligation that we are going to have to deal with. It is my hope we will in the future approach these conflicts with a greater